



Company Announcement, September 10th, 2015

Rights Issue to Fund the Permitting Process for the Kvanefjeld Project

- **Non-renounceable rights issue to raise up to \$6.1 million to fund company through the permitting phase for the Kvanefjeld Project**
- **The issue is offered on a 1 for 4 basis at 3.5 cents per share**
- **For each new share, shareholders will receive one free option with exercise price of 8 cents and term of three years to 30 September 2018**
- **The issue is partially underwritten to \$3 million and is expected to close on 29 September 2015**
- **The funds will be primarily used for permitting at the Kvanefjeld Project which represents the culmination of all work programs conducted on Kvanefjeld to date, in addition to project optimisation and commercial development**
- **Attractive pricing - 37% discount to 1 month VWAP of 5.6 cents and 45% discount to 3 months VWAP of 6.3 cents**
- **Free attaching options to be listed**
- **Shareholders can apply for additional shares above entitlements**

Greenland Minerals and Energy Limited (“GMEL” or “the Company”) is pleased to announce a partially underwritten non-renounceable rights issue to raise up to A\$6.1 million. The issue is partially underwritten by Patersons Securities Ltd to \$3 million, CPS Capital Group acted as Co-Manager. The Company is pleased to have received underwriting support for the issue from Australian institutional and sophisticated investors, and has additionally received strong interest from international investors in any shortfall.

Net proceeds together with existing cash reserves will be used to complete the documentation for a mining license application for Kvanefjeld, and cover costs associated with the processing of the application by the Greenland Government. The funds beyond minimum subscription would additionally be utilised to conduct a series of ongoing optimisation steps that are anticipated to further enhance project economics, and to ramp-up commercial development with a focus on off-take agreements and the project finance strategy.



The offer will be made to shareholders on a 1 for 4 basis at the issue price of A\$0.035, per share which represents an attractive 37% discount to the 1 month volume weighted average price (VWAP) of A\$0.056 and a 45% discount to the 3 month VWAP of A\$0.063.

Shareholders will also receive 1 free attaching option, exercisable at \$0.08 with a term of 3 years (expiring 30 September 2018) for every 1 new share issued. Both new shares and options will be listed.

The Directors of GMEL are extremely pleased to be able to offer eligible shareholders the opportunity to participate in the rights issue, which will see the Company well-funded to take Kvanefjeld through the all-important permitting phase, and toward project development. Shareholders will be given the opportunity to apply for additional shares in excess of their entitlement.

Background

Through 2014 and 2015, GMEL has completed a series of key studies for the Kvanefjeld Project that contributes to the mining license application. These include:

- the completion of the Kvanefjeld feasibility study,
- the establishment of an 108 million tonne Ore Reserve estimate (JORC 2012) sufficient to underpin an initial 37 year mine-life,
- updated Mineral Resource estimate (JORC 2012),
- successful 3rd, and largest pilot plant operation of the concentrator circuit,
- conducting a public hearing in associated with establishing the terms of reference,
- all datasets that contribute to the environmental impact assessments.

Documentation for the impact assessments is currently being finalised, and will be ready to hand over to the Greenland government in October.

Considerable progress has been made by Greenland to advance the regulatory system to be prepared to commence the processing of a mining license application for Kvanefjeld. The Company has worked in close consultation with stakeholders and regulatory bodies in Greenland through setting the development strategy, and finalisation of permitting documents. The government has toured independent scientists through Greenland towns and settlements to provide general information on mining and radioactivity, which relates to the Kvanefjeld project.

A series of international conventions that deal with safety and protection in relation to radioactive materials have been in public hearing in Greenland, with the exposure period being closed in early August. The necessary conventions have been identified through work conducted by Greenland and Denmark on regulations pertaining to the mining and handling of radioactive materials. While Denmark

is a signatory to all the conventions in the current public hearing, Greenland's status requires independent ratification, following public hearing.

In parallel to finalising and submitting the mining license application GMEL would continue to optimise aspects of the Kvanefjeld project, to further improve project economics.

The commencement of permitting represents a major project milestone, and allow project timelines to be more accurately constrained, and will see an increased focus on commercial aspects of project development. GMEL aims to work closely with Greenland stakeholders and regulators to have the Kvanefjeld project well-positioned for development.

The ASX has granted the Company with a waiver from listing rule 7.40 to permit the company not to send the notice required by paragraph 3 of Appendix 7A to current option holders.

-ENDS-

About the Kvanefjeld Project

The Kvanefjeld project is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at **1.01** billion tonnes (JORC-code 2012 compliant). The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness.

Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios. Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition.

While the resources are extensive, a key advantage to the Kvanefjeld project is the unique rare earth and uranium-bearing minerals. These minerals can be effectively beneficiated into a low-mass, high value concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of both heavy rare earths and uranium. This contrasts to the highly refractory minerals that are common in many rare earth deposits.

The Kvanefjeld project area is located adjacent to deep-water fjords that allow for shipping access directly to the project area, year round. An international airport is located 35km away, and a nearby lake system has been positively evaluated for hydroelectric power.

Kvanefjeld is slated to produce a significant output of critical rare earths (Nd, Pr, Eu, Dy, Tb, Y), with by-production of uranium, zinc, lanthanum, cerium and fluorspar. Low incremental cost of recovering by-products complements the simple metallurgy to deliver a highly competitive cost structure.

Rare earth elements (REEs) are now recognised as being critical to the global manufacturing base of many emerging consumer items and green technologies. In recent years growth in rare earth demand has been limited by end-user concerns over pricing instability and surety of supply. Kvanefjeld provides an excellent opportunity to introduce a large stable supplier at prices that are readily sustainable to end-users. In addition rare earths from Kvanefjeld will be produced in an environmentally sustainable manner further differentiating it as a preferred supplier of rare earth products. These factors serve to enhance demand growth.

Uranium forms an important part of the global base-load energy supply, with demand set to grow in coming years as developing nations expand their energy capacity.

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared By SRK Consulting (February, 2015)

Multi-Element Resources Classification, Tonnage and Grade										Contained Metal				
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
<i>Kvanefjeld - February 2015</i>														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	222	10,000	205	8,800	365	9,200	793	2,180	2.22	0.08	0.18	100.45	0.48
150	Total	673	10,900	248	9,600	400	10,000	881	2,270	7.34	0.27	0.59	368.02	1.53
200	Measured	111	12,900	341	11,400	454	11,800	1,048	2,460	1.43	0.05	0.12	83.19	0.27
200	Indicated	172	12,300	318	10,900	416	11,300	970	2,510	2.11	0.07	0.17	120.44	0.43
200	Inferred	86	10,900	256	9,700	339	10,000	804	2,500	0.94	0.03	0.07	48.55	0.22
200	Total	368	12,100	310	10,700	409	11,200	955	2,490	4.46	0.15	0.35	251.83	0.92
250	Measured	93	13,300	363	11,800	474	12,200	1,105	2,480	1.24	0.04	0.10	74.56	0.23
250	Indicated	134	12,800	345	11,300	437	11,700	1,027	2,520	1.72	0.06	0.14	101.92	0.34
250	Inferred	34	12,000	306	10,800	356	11,100	869	2,650	0.41	0.01	0.03	22.91	0.09
250	Total	261	12,900	346	11,400	440	11,800	1,034	2,520	3.37	0.11	0.27	199.18	0.66
300	Measured	78	13,700	379	12,000	493	12,500	1,153	2,500	1.07	0.04	0.09	65.39	0.20
300	Indicated	100	13,300	368	11,700	465	12,200	1,095	2,540	1.34	0.05	0.11	81.52	0.26
300	Inferred	15	13,200	353	11,800	391	12,200	955	2,620	0.20	0.01	0.01	11.96	0.04
300	Total	194	13,400	371	11,900	471	12,300	1,107	2,530	2.60	0.09	0.21	158.77	0.49
350	Measured	54	14,100	403	12,400	518	12,900	1,219	2,550	0.76	0.03	0.07	47.59	0.14
350	Indicated	63	13,900	394	12,200	505	12,700	1,191	2,580	0.87	0.03	0.07	54.30	0.16
350	Inferred	6	13,900	392	12,500	424	12,900	1,037	2,650	0.09	0.00	0.01	5.51	0.02
350	Total	122	14,000	398	12,300	506	12,800	1,195	2,570	1.71	0.06	0.15	107.45	0.31

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared By SRK Consulting (February, 2015)

Cut-off (U ₃ O ₈ ppm) ¹	Classification	Multi-Element Resources Classification, Tonnage and Grade								Contained Metal				
		M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
Sørensen - March 2012														
150	Inferred	242	11,000	304	9,700	398	10,100	895	2,602	2.67	0.10	0.22	162.18	0.63
200	Inferred	186	11,600	344	10,200	399	10,600	932	2,802	2.15	0.07	0.17	141.28	0.52
250	Inferred	148	11,800	375	10,500	407	10,900	961	2,932	1.75	0.06	0.14	122.55	0.43
300	Inferred	119	12,100	400	10,700	414	11,100	983	3,023	1.44	0.05	0.12	105.23	0.36
350	Inferred	92	12,400	422	11,000	422	11,400	1,004	3,080	1.14	0.04	0.09	85.48	0.28
Zone 3 - May 2012														
150	Inferred	95	11,600	300	10,200	396	10,600	971	2,768	1.11	0.04	0.09	63.00	0.26
200	Inferred	89	11,700	310	10,300	400	10,700	989	2,806	1.03	0.04	0.09	60.00	0.25
250	Inferred	71	11,900	330	10,500	410	10,900	1,026	2,902	0.84	0.03	0.07	51.00	0.20
300	Inferred	47	12,400	358	10,900	433	11,300	1,087	3,008	0.58	0.02	0.05	37.00	0.14
350	Inferred	24	13,000	392	11,400	471	11,900	1,184	3,043	0.31	0.01	0.03	21.00	0.07
All Deposits – Grand Total														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	559	10,700	264	9,400	384	9,800	867	2,463	6.00	0.22	0.49	325.66	1.38
150	Grand Total	1010	11,000	266	9,700	399	10,100	893	2,397	11.14	0.40	0.90	592.84	2.42

¹There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U₃O₈ has therefore been used to define the cutoff grades to maximise the confidence in the resource calculations.

²Total Rare Earth Oxide (TREO) refers to the rare earth elements in the lanthanide series plus yttrium.

Note: Figures quoted may not sum due to rounding.

ABOUT GREENLAND MINERALS AND ENERGY LTD.

Greenland Minerals and Energy Ltd (ASX: GGG) is an exploration and development company focused on developing high-quality mineral projects in Greenland. The Company's flagship project is the Kvanefjeld multi-element deposit (rare earth elements, uranium, zinc), that stands to be the world's premier specialty metals project. A pre-feasibility study was finalised in 2012, and a comprehensive feasibility study was completed in May, 2015. The studies demonstrate the potential for a large-scale, long-life, cost-competitive, multi-element mining operation. Through 2015, GMEL is focussed on completing a mining license application in order to commence project permitting, in parallel to advancing commercial discussions with development partners. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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Greenland Minerals and Energy Ltd will continue to advance the Kvanefjeld project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued stakeholder discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.

Competent Person Statement – Mineral Resources and Ore Reserves

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd ("SRK"), and was engaged by Greenland Minerals and Energy Ltd on the basis of SRK's normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals and Energy Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd.

Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcement.